

ARTICLE 5: AUTHORITY

A. The Slot Exchange

1. On such terms and conditions as the Parties may agree from time to time, the Parties may exchange slots on their respective services in the Trade. Initially, it is expected that Yang Ming shall provide to COSCO Shipping space for 300 TEUs on the service referred to as the PS2 and operated under THE Alliance Agreement (FMC Agreement No. 012439), in exchange for which COSCO Shipping shall provide to Yang Ming space for 150 TEUs on the service referred to as the CEN and operated under the OCEAN Alliance Agreement (FMC Agreement No. 012426), and 150 TEUs on the service known as the AAC3 and operated under FMC Agreement No. 012460,¹ as those services may be renamed or otherwise modified from time to time, for cargo moving between ports in the Trade. The number of slots to be exchanged, or the services on which slots will be exchanged, may be modified by the Parties without amendment to this Agreement; provided, however, that a change in the number of slots for either party above a maximum of 500 slots or below a minimum of 100 slots shall require an amendment to this Agreement. In addition, either Party may sell additional slots to the other Party on an ad hoc, per voyage, as available, as needed basis, on such terms and conditions as the Parties may agree from time to time.

2. Neither Party shall subcharter slots made available to it hereunder to any third parties without the prior written consent of the other Party, which shall not be unreasonably withheld.

3. The Parties may confer on operational matters relating to the PS2 and CEN services, including the vessels to be used, scheduling and port rotations, port calls, transit times, speed and adjustments to vessel speed (such as slow steaming), vessel stowage planning, issues relating to intermodal connections, and selection and use of terminals.

¹ Effective ~~April 1, 2019, August 27, 2018,~~ COSCO Shipping shall provide Yang Ming 150 TEUs on the ~~AAC-CEN~~ service operated under the OCEAN Alliance Agreement under FMC Agreement No. 012426 ~~will be replaced by both the CEN service operated by the OCEAN Alliance and 150 TEUs on the AAC3 service operated under FMC Agreement No. 012460, and Yang Ming shall provide COSCO Shipping 300 TEUs on the FP1 service operated by THE Alliance Agreement under FMC Agreement No. 012439 (with space to be provided only within the Trade). Effective May 1, 2019, COSCO Shipping shall provide Yang Ming 300 TEUs on the CEN service. As of that date~~ April 1, 2019, space shall be provided on both the CEN and AAC3 services, and all references to the CEN-PS2 service in this Agreement shall be deemed references to the ~~CEN and AAC3~~ FP1 services.